

Exhibit 11

ENHANCED PROCEDURES FOR 2007

(1) MANAGER PERFORMANCE RATING TOOLKIT (2) COMPENSATION PROPOSALS

The firm's year-end procedures for performance assessment and compensation are enhanced this year. The main changes are:

- **Manager Performance Rating.** Individuals will be rated solely to identify stronger and weaker performers for purposes such as promotion, career development and terminations. The manager performance rating for a particular individual will not necessarily determine the compensation proposal for that individual, but will be only one data point in the determination of compensation. That said, at the bottom 10% level, there should be a high correlation between compensation recommendations and manager performance ratings and reports will be run to assess this correlation.

*At the middle to upper level ratings, the MPR will give managers and division leaders a direct measure of the quality and capability of our talent not available in the past -- **without the overlay of compensation considerations.***

- **Compensation Differentiation.** Managers and divisions will not be required to quartile for firmwide compensation purposes. Compensation proposals will be entered into the Compensation Recommendation System (CRS) without any associated quartile placement. For ease in checking that there is adequate differentiation in terms of compensation increases/decreases, the Firmwide Compensation group will assign "derived quartiles" for each individual by level by dividing top to bottom employee year-over-year % compensation changes at intervals of 25% (including identification of the bottom 10% of compensation changes). The average % change across these intervals for each division will be compared to ensure appropriate differentiation. Note that your division may require quartiling for compensation purposes.

Managers will have flexibility with the top and middle performers to de-link compensation decisions from the manager performance rating where they deem it appropriate to reflect additional factors (e.g., market compensation levels) that may be unrelated to the individual's performance.

In setting manager performance ratings and compensation proposals, you should be guided by the considerations on the attached pages, whether you are making the decisions as the immediate manager or a manager up the line.

Your divisional HCM team will provide you with guidance on the process specifics (e.g., timelines, due dates, logistics) of performance ratings and compensation proposals.

2007 Monitoring Process

An independent review process with special focus on women and historically underrepresented groups will continue to be applied to the manager performance rating and compensation proposals. Employee Relations, Legal and/or your divisional HCM representative may ask you for clarification on certain of your proposals.

If you have any questions regarding this process, please contact your divisional HCM representative.